

PERFORMANCE AGREEMENT

MADE AND ENTERED INTO BY AND BETWEEN:

**THE MUNICIPALITY OF INXUBA YETHEMBA
AS REPRESENTED
BY THE MUNICIPAL MANAGER**

MZIWANDILE SYDNEY TANTSU

(HEREIN REFERED TO AS THE EMPLOYER)

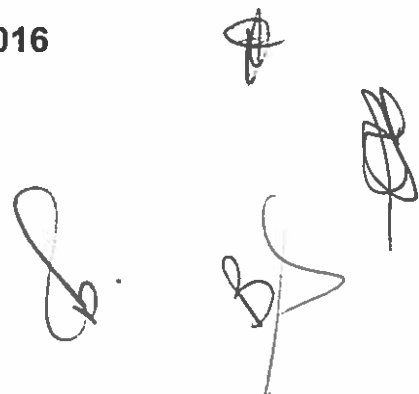
AND

B.T SIGENU

(HEREIN REFERED TO AS THE EMPLOYEE)

FOR THE
FINANCIAL YEAR;

1 JULY 2015 TO 30 JUNE 2016

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WHEREBY IT IS AGREED AS FOLLOWS:**1. INTRODUCTION**

- 1.1 The **Employer** has entered into a contract of employment with the **Employee** in terms of section 57(1) (a) of the Local government: Municipal Systems Act 32 of 2000 ("the Systems Act"). The **Employer** and the **Employee** are hereinafter referred to as "the Parties".
- 1.2 Section 57(1)(b) of the systems Act, read with the Contract of Employment concluded between the parties, requires the parties to conclude an annual Performance Agreement
- 1.3 The parties wish to ensure that they are clear about the goals to be achieved, and secure the commitment of the **Employee** to a set of outcomes that will secure local government policy goals.
- 1.4 The parties wish to ensure that there is compliance with Sections 57(4A), 57(4B) and 57(5) of the Systems Act

2. PURPOSE OF THIS AGREEMENT

The purpose of this Agreement is to:-

- 2.1 comply with the provisions of Section 57(1) (b), (4A), 4(b) and (5) of the Systems Act as well as the Contract of Employment entered into between the parties;
- 2.2 specify objectives and targets established for the **Employee** and to communicate to the **Employee** the **Employer's** expectations of the **Employee's** performance and accountabilities in alignment with the Integrated Development Plan, Service Delivery and Budget Implementation Plan and the Budget of the Municipality;
- 2.3 specify accountabilities as set out in the Performance Plan, which forms an annexure to the performance agreement (Annexure A);
- 2.4 monitor and measure performance against set targeted outputs;
- 2.5 use the Performance Agreement and Performance Plan as the basis to assess whether the **Employee** has met the performance expectations applicable to his/her job;
- 2.6 in the event of outstanding performance, to appropriately reward the **Employee**; and
- 2.7 give effect to the **Employer's** commitment to a performance-orientated relationship with the **Employee** in attaining equitable and improved service delivery

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3. COMMENCEMENT AND DURATION

- 3.1 This Agreement will commence on the **1st July 2015** and will remain in force until **30th June 2016** thereafter a new Performance Agreement, Performance Plan and Personal Development Plan shall be concluded between the parties for the next financial year or any portion thereof.
- 3.2 The parties will review the provisions of this Agreement during June each year. The parties will conclude a new Performance Agreement and Performance Plan that replaces this Agreement at least once a year by not later than the beginning of each successive financial year.
- 3.3 This Agreement will terminate on the termination of the **Employee's** contract of employment for any reason.
- 3.4 The content of this Agreement may be revised at any time during the abovementioned period to determine the applicability of the matters agreed upon.
- 3.5 If at any time during the validity of this Agreement the work environment alters (whether as a result of government or council decisions or otherwise) to the extent that the contents of the Agreement are no longer appropriate, the contents shall immediately be revised

4. PERFORMANCE OBJECTIVES

- 4.1 The Performance Plan (Annexure A) sets out-
- 4.1.1 the performance objectives and targets that must be met by the **Employee**; and
- 4.1.2 the time frames within which those performance objectives and targets must be met.
- 4.2 The performance objectives and targets reflected in Annexure A are set by the Employer in consultation with the Employee and based on the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the Employer, and shall include key objectives; key performance indicators; target dates and weightings
- 4.2.1 The key objectives describe the main tasks that need to be done.
- 4.2.2 The key performance indicators provide the details of the evidence that must be provided to show that a key objective has been achieved.
- 4.2.3 The target dates describe the timeframe in which the work must be achieved.
- 4.2.4 The weightings show the relative importance of the key objectives to each other.
- 4.3 The **Employee's** performance will, in addition, be measured in terms of contributions to the goals and strategies set out in the **Employer's** Integrated Development Plan.

5. PERFORMANCE MANAGEMENT SYSTEM

- 5.1 The **Employee** agrees to participate in the performance management system that the **Employer** adopts or introduces for the **Employer**, management and municipal staff of the **Employer**
- 5.2 The **Employee** accepts that the purpose of the performance management system will be to provide a comprehensive system with specific performance standards to assist the **Employer**, management and municipal staff to perform to the standards required
- 5.3 The **Employer** will consult the **Employee** about the specific performance standards that will be included in the performance management system as applicable to the **Employee**
- 5.4 The **Employee** undertakes to actively focus towards the promotion and implementation of the KPAs (including special projects relevant to the employee's responsibilities) within the local government framework
- 5.5 The criteria upon which the performance of the **Employee** shall be assessed shall consist of two components, both of which shall be contained in the Performance Agreement
- 5.5.1 the **Employee** must be assessed against both components, with a weighting of 80:20 allocated to the Key Performance Areas (KPAs) and the Core Competency Requirements (CCRs) respectively.
- 5.5.2 Each area of assessment will be weighted and will contribute a specific part to the total score
- 5.5.3 KPA's covering the main areas of work will account for 80% and CMC's will account for 20% of the final assessment
- 5.6 The **Employee's** assessment will be based on his/her performance in terms of the outputs/outcomes (performance indicators) identified as per attached Performance Plan (Annexure A), which are linked to the KPA's and will constitute 80 % of the overall assessment result as per the weightings agreed to between the **Employer** and **Employee** :

Key Performance Areas (KPA's)	Weighting
Institutional Transformation and Development	100%
Total	100 %

- 5.7 The CMCs will make up the other 20 % of the **Employee's** assessment score. CMCs that are deemed to be most critical for the **Employee's** specific job should be selected from the list below as agreed to between the **Employer** and **Employee**:

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CORE COMPETENCY REQUIREMENTS FOR EMPLOYEES (CCR)		
Core Managerial and Occupational Competencies	(Indicate choice) ✓	Weight
Core Managerial Competencies:		
Strategic Capability and Leadership		
Programme and Project Management		
Financial Management	✓	20
Change Management		
Knowledge management	✓	20
Service Delivery Innovation		
Problem Solving and Analysis		
People Management and Empowerment	✓	20
Client Orientation and Customer Focus		
Communication		
Honesty and Integrity		
Core Occupational Competencies:		
Competence in Self-Management		
Interpretation of and implementation within the legislative and national policy framework	✓	20
Knowledge of Developmental Local Government		
Knowledge of Performance Management and Reporting		
Knowledge of global and South African specific political social and economic context		
Competency in policy conceptualisation, analysis and implementation	✓	20
Knowledge of more than one functional municipal field / discipline		
Skills in mediation		
Skills in governance		
Competence as required by other national line sector departments		
Exceptional and dynamic creativity to improve the functioning of the municipality		
Total percentage		100%

6

EVALUATING PERFORMANCE

6.2 The Performance Plan (Annexure A) to this Agreement sets out-

6.2.1 the standards and procedures for evaluating the **Employee's** performance; and

6.2.2 the intervals for the evaluation of the **Employee's** performance

6.3 Despite the establishment of agreed intervals for evaluation, the **Employer** may in addition review the **Employee's** performance at any stage while the contract of employment remains in force

6.4 Personal growth and development needs identified during any performance review discussion must be documented in a Personal Development Plan as well as the actions agreed to and implementation must take place within set time frames.

6.5 The **Employee's** performance will be measured in terms of contributions to the goals and strategies set out in the **Employer's** IDP

6.6 The annual performance appraisal will involve

6.6.1 **Assessment of the achievement of results as outline in the performance plan:**

- (a) Each KPA should be assessed according to the extent to which the specified standards or performance indicators have been met and with due regard to ad hoc tasks that had to be performed under the KPA
- (b) An indicative rating on the five-point scale should be provided for each KPA
- (c) The applicable assessment rating calculator (refer to paragraph 6.5.3 below) must then be used to add the scores and calculate a final KPA score

6.6.2 **Assessment of the CMCs**

- (a) Each CMCs should be assessed according to the extent to which the specified standards have been met
- (b) An indicative rating on the five-point scale should be provided for each CMC
- (c) This rating should be multiplied by the weighting given to each CCR to provide a score
- (d) The applicable assessment rating calculator (refer to paragraph 6.5.1) must then the used to add the scores and calculate a final CMC score

6.6.3 **Overall rating**

An overall rating is calculated by using the applicable assessment- rating calculator. Such overall rating represents the outcome of the performance appraisal.

6.7 the assessment of the performance of the **Employee** will be based on the following rating scale for KPA's and CMCs



Level	Terminology	Description	Rating				
			1	2	3	4	5
5	Outstanding performance	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the Employee has achieved above fully effective results against all performance criteria and indicators as specified in the PA (Performance Agreement) an Performance plan and maintained this in all areas of responsibility throughout the year					
4	Performance significantly above expectations	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the Employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all other throughout the year					
3	Fully effective	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Employee has fully achieved effective results against all significant performance criteria and indicators as specified in the PA and Performance Plan					
2	Not fully effective	Performance is below the standard required of the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the PA and Performance Plan. The employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement					
1	Unacceptable performance	Performance does not meet the standard expected for the job. The review or assessment indicates that the employee has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the PA and Performance Plan. The employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management effort to encourage improvement.					







6.7 For purposes of evaluating the annual performance of the municipal manager, an evaluation panel constituted by the following persons will be established-

- 6.7.1 Executive Mayor
- 6.7.2 Chairperson of the Audit committee;
- 6.7.3 Ward committee member (on a rotational basis), where applicable;
- 6.7.4 Member of the Mayoral Committee; and
- 6.7.5 Mayor and/ or Municipal Manager from another Municipality

6.8 For purposes of evaluating the annual performance of the managers directly accountable to the municipal manager, an evaluation panel constituted by the following persons will be established-

- 6.8.1 Municipal Manager
- 6.8.2 Chairperson of the Audit committee;
- 6.8.3 Ward committee member (on a rotational basis), where applicable;
- 6.8.4 Member of the Mayoral Committee; and
- 6.8.5 Municipal Manager from another Municipality

7 SCHEDULE FOR PERFORMANCE REVIEWS

7.1 The performance of each **Employee** in relation to his/her performance agreement shall be reviewed on the following dates with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory:

First quarter	:	July – September	Before end October 2015
Second quarter	:	October – December	Before end January 2016
Third quarter	:	January – March	Before end April 2016
Fourth quarter	:	April – June	Before end July 2016

7.2 The **Employer** shall keep a record of the mid-year review and annual assessment meetings.

7.3 Performance feedback shall be based on the **Employer’s** assessment of the **Employee’s** performance

7.4 The **Employer** will be entitled to review and make reasonable changes to the provisions of Annexure A from time to time for operational reasons. The **Employee** will be fully consulted before any such change is made

7.5 The **Employer** may amend the provisions of Annexure A whenever the performance management system is adopted, implemented and/or amended as the case may be. In that case the **Employee** will be fully consulted before any such change is made

8 DEVELOPMENTAL REQUIREMENTS

The Personal Development Plan (PDP) for addressing developmental gaps is attached as Annexure B.

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9 OBLIGATIONS OF THE EMPLOYER

9.1 The Employer shall-

- 9.1.1 create an enabling environment to facilitate effective performance by the employee;
- 9.1.2 provide access to skills development and capacity building opportunities;
- 9.1.3 work collaboratively with the **Employee** to solve problems and generate solutions to common problems that may impact on the performance of the **Employee**;
- 9.1.4 on the request of the **Employee** delegate such powers reasonably require by the **Employee** to enable him/her to meet the performance objectives and targets established in terms of this Agreement; and
- 9.1.5 make available to the **Employee** such resources as the **Employee** may reasonably require from time to time to assist him/her to meet the performance objectives and targets established in terms of this Agreement

10 CONSULTATION

- 10.1.1 The **Employer** agrees to consult the **Employee** timeously where the exercising of the powers will have amongst others-
- 10.1.2 a direct effect on the performance of any of the **Employee's** functions;
- 10.1.3 commit the **Employee** to implement or to give effect to a decision made by the **Employer**; and
- 10.1.4 a substantial financial effect on the **Employer**
- 10.1.5 The **Employer** agrees to inform the **Employee** of the outcome of any decisions taken pursuant to the exercise of powers contemplated in 11.1 as soon as is practicable to enable the **Employee** to take any necessary action without delay.

11 MANAGEMENT OF EVALUATION OUTCOMES

- 11.1.1 The evaluation of the **Employee's** performance will form the basis for rewarding outstanding performance or correcting unacceptable performance
- 11.1.2 A performance bonus of 5 % to 14 % of the inclusive annual remuneration package may be paid to the **Employee** in recognition of outstanding performance
- 11.1.3 a score of 130% to 149% is awarded a performance bonus ranging from 5% to 9% and
- 11.1.4 a score of 150% and above is awarded a performance bonus ranging from 10% to 14%

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SCORE	BONUS %
130-133	5
134-137	6
138-141	7
142-145	8
146-149	9
150-153	10
154-157	11
158-161	12
162-165	13
166-167	14

11.1.5 A pro-rata bonus will be payable to the Employee based on the amount of full months employed, in the event that the evaluation period is not a full financial year subject to the following:-

- 11.1.5.1 That the evaluation period be not less than 6 months
- 11.1.5.2 That the employee be employed on the last day of the financial year and undergo a review during the agreed review period

11.2 In the case of unacceptable performance, the Employer shall-

- 11.2.1 provide systematic remedial or developmental support to assist the Employee to improve his or her performance; and
- 11.2.2 After appropriate performance counseling and having provided the necessary guidance and/ or support as well as reasonable time for improvement in performance, the **Employer** may consider steps to terminate the contract of employment of the **Employee** on grounds of unfitness or incapacity to carry out his or her duties

12 DISPUTE RESOLUTION

- 12.1 Any disputes about the nature of the **Employee's** performance agreement, whether it relates to key responsibilities, priorities, methods of assessment and/ or any other matter provided for, shall be mediated by-
 - 12.1.1 the MEC for local government in the province within thirty (30) days of receipt of a formal dispute from the **Employee**: or
 - 12.1.2 any other person appointed by the MEC
 - 12.1.3 In the event that the mediation process contemplated above fails, clause 19.3 of the Contract of Employment shall apply.

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13 GENERAL

13.1.1 The contents of this agreement and the outcome of any review conducted in terms of Annexure A may be made available to the public by the Employer

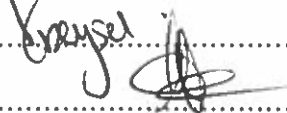
13.1.2 Nothing in this agreement diminishes the obligations, duties or accountabilities of the Employee in terms of his/ her contract of employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.

Thus done and signed at CRADOCK on this the 31st day of JULY 2015

EMPLOYEE


.....
B T SIGENU

AS WITNESSES :

1.....
2.....


EMPLOYER


.....
M.S TANTSI

AS WITNESSES :

1.....
2.....

"ANNEXURE A"
CORPORATE SERVICES DEPARTMENT PERFORMANCE PLAN

E1. Institutional Capacity: Strategic Objective:- Ensure that the Administrative capacity of the municipality is continuously improved

Performance ID	IDP Ref. No	Project	Objective	Key Performance Indicators	Baseline Indicator	Evidence/ Measurement	Annual Target/ Timeframe	Weight	Qtr1		Qtr 2		Qtr3		Qtr4		Explanation of Variance	
									30 th Sept 2015	Exp	Act	Exp	Act	Exp	Act	Exp		Act
INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION	4E1.9	Change management	To have a program in place to deal with culture of doing things in line with Batho Pele principles	Number of change management sessions conducted	none	Attendance registers	At least 4 per annum	10										






Key Performance Indicators	Project	Objective	Key Performance Indicator/s	Baseline Indicator	Evidence/ Measurement	Annual Target/ Timetable	Weight	Qtr-1		Qtr-2		Qtr-3		Qtr-4		Explanation of variance		
								Exp	Act	Exp	Act	Exp	Act	Exp	Act			
EMPLOYEE RELATIONS	4E1.7	Cascading of PMS	Adopted framework	none	Document	31 Dec 2015	25											
			To develop a framework to cascade the PMS to all levels of staff															
			To have an automated System to improve monitoring and reporting	Implementation of the system	none	Records		31 March 2016										
	4E1.8	PMS Automation																
	4E1.6	Employee Induction	Number of new staff members inducted	0	Quarterly reports attendance registers	All new employees appointed in the financial year	20	1		2		3		4				
		To ensure that incoming staff is inducted into the institution																
	4E1.10	Employee Relations	Number of LLF meetings held		Minutes of meetings	At least 4 per annum		1		2		3		4				
		To strive to create an environment conducive for sound employee relations																

F1. Governance and public participation: **Strategic Objective:- Ensure good governance and participation by community in the affairs of the municipality**

Key Performance Indicators	JDP Ref. No	Project	Objective	Key Performance Indicator/s	Baseline Indicator	Evidence/ Measurement	Annual Target/ Timeframe	Weight	Qtr 1		Qtr 2		Qtr 3		Qtr 4		Explanation of variance	
									Exp	Act	Exp	Act	Exp	Act	Exp	Act		
PUBLIC PARTICIPATION	AF4.2	Ward committees	To ensure ward committees are capacitated	2. Number of training session	1	Record of attendance	At least 1 per annum	15										
LEAN AUDIT		Audit readiness and execution	To ensure all employee records are up to date and available for audit	All necessary information in files of employees		Internal audit reports	Files up to date by 30 th June 2016	20										
			Ensuring that all RFI's and CoAFs related to department are responded to	% of RFI's and CoAFs related to department responded to	0	RFI and CoAF registers	100% by 30 November 2015											

D3. TECHNOLOGY: Strategic Objective:- Enhance service delivery and administration by utilising IT to it maximum potential by 2016

Performance Indicators	IDP Ref. No	Project	Objective	Key Performance Indicator/s	Baseline Indicator	Evidence/ Measurement	Annual Target/ Timeframe	Weight	Qtr 1		Qtr 2		Qtr 3		Qtr 4		Explanation of Variance	
									Exp	Act	Exp	Act	Exp	Act	Exp	Act		
INFORMATION TECHNOLOGY	4D3.2	IT policies and capacity building	To ensure that the IT environment is properly governed	Number of IT policies adopted and sessions held	drafts	Documents and council resolution	30 Sept 2015	10										
	4D3.4	Electronic management system	To investigate and prepare proposal for an electronic document management system	Documented proposal	none	Document	31 March 2016											

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**CORE COMPETENCY REQUIREMENTS (CCR)
CCR 1 CORE MANAGERIAL COMPETENCIES**

Competency requirement	Weighting	Indicator	Evidence/ Measurement	Annual Target/ Time-frame	Re-vised Target	Qtr-1 30 Sept 2015	Qtr-2 31 Dec 2015	Qtr-3 30 March 2016	Qtr-4 30 June 2016	Explanation of variance
Financial Management	20	Timeous submission of budget information	Documentation							
People Management and Empowerment	20	All expenditure is within the department's budget	Departments quarterly expenditure report	Quarterly reports		1	1	1	1	
		Delegates and Empowers to increase contribution and level of responsibility	System to achieve this in place							
		Number of departmental meetings held to facilitate teamwork and spirit	Minutes	At least monthly (12)		3	3	3	3	

CCR 2 CORE OCCUPATIONAL COMPETENCIES

CCR 2 CORE OCCUPATIONAL COMPETENCIES										
Competency requirement	Weighting	Indicator	Evidence/ Measurement	Annual Target/ Time-frame	Re-vised Target	Qtr 1 30 Sept 2015	Qtr 2 31 Dec 2015	Qtr 3 30 March 2016	Qtr 4 30 June 2016	Explanation of variance
Interpretation of and implementation within the legislative and national policy	20	100% compliance	no report or complaints to the contrary	100%						





CCR 2 CORE OCCUPATIONAL COMPETENCIES

CCR 2 CORE OCCUPATIONAL COMPETENCIES										
Competency requirement	Weighting	Indicator	Evidence/ Measurement	Annual Target/ Time-frame	Re-vised Target	Qtr 1 30 Sept 2015	Qtr 2 31 Dec 2015	Qtr 3 30 March 2016	Qtr 4 30 June 2016	Explanation of variance
Policy conceptualization, analysis and implementation	40	Establish a policy committee with clear roles and responsibilities Ensure all policies are developed within a specific framework Empower the training committee								
TOTAL	100									